



December 5, 2014

Office of Health Policy
c/o Diona Mullins, Policy Advisor
Cabinet for Health and Family Services
275 E. Main Street, 4W-E
Frankfort, Kentucky 40621



Dear Ms. Mullins:

HealthSouth Corporation appreciates the opportunity to comment on the October 8, 2014, memorandum: Certificate of Need Modernization: Core Principles. We confine our comments to the Certificate of Need Review Standards for Comprehensive Physical Rehabilitation (CPR) beds in the 2013 — 2015 State Health Plan. Our proposed modification is consistent with the core principles outlined in the memorandum, in particular improving access to care.

Our proposal is to change the number of inpatient days in the need calculation formula (PD) from the statewide total to the regional (ADD) total. Similarly, change the estimated population (P) from the statewide total to the ADD total. These changes would allow individual ADDs to show bed need even when there is no statewide need.

The current method basing regional need on statewide need defeats the purpose of regional health planning. Calculation of regional bed need is common in other states, particularly for tertiary services like Comprehensive Physical Rehabilitation, but we are unaware of any other state that bases regional bed need on statewide utilization and population projections.

HealthSouth is headquartered in Birmingham, Alabama, and operates two inpatient rehabilitation hospitals in Kentucky with a total of eighty beds.

Sincerely yours,

Walter C. Smith
Director, State Regulatory Affairs
HealthSouth Corporation

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